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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 003056

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SUBJECT: AMBASSADOR GOLDBERG'S VISIT TO POTOSI

Classified By: Amb. Philip S. Goldberg for reasons 1.4 (b) and (d).

SUMMARY

11. (SBU) Ambassador Goldberg made his first official visit to the city of Potosi November 6. During the one-day trip he was welcomed by the president of the Independent Miners' Association of Potosi and received the highest honor (the coat of arms of the Villa Imperial) ever given to an ambassador by the city council; he also donated books to the municipal library, held meetings with the prefect and mayor, and participated in three USAID-sponsored events. Senate President Santos Ramirez, himself from Potosi, accompanied the Ambassador throughout the day. End summary.

BACKGROUND

12. (SBU) On November 6 the Ambassador made his first official visit to the mining city of Potosi, capital of the department of Potosi. The department is a MAS stronghold - both Senate President Santos Ramirez (from Potosi) and Prefect Mario Virreira are from the MAS party. Potosi is the poorest of Bolivia's nine departments (with only thirty-two percent of the population having access to running water and electricity), and many Potosinos have emigrated to other parts of Bolivia and abroad.

WELCOMED WITH OPEN ARMS

13. (C) Opposition Senator Rene Zamora told Emboff that the Independent Miner's Association of Potosi, which recently withdrew its support for the MAS, wanted to send a clear message to MAS leadership in La Paz. It was thus decided that Filomeno Ckacka, President of the Independent Miners' Association of Potosi, would welcome the Ambassador at the Potosi airport, present him with a miner's hat, and escort him into town. The Ambassador then attended a special session of the Potosi city council, where he received the coat of arms of the Villa Imperial, the highest honor the council can bestow. City council staff told Emboff that this was the first time in the city's history that the honor was given to an ambassador, noting that it took a lot of

negotiating among different political parties and civic organizations to come to an agreement. During the city council session the Ambassador announced the donation of 400 books to the municipal library system.

MEETING WITH PREFECT AND SENATE PRESIDENT

14. (C) The Ambassador later inaugurated a USAID-sponsored employment generation program, along with Prefect Mario Virreira and Senator Santos Ramirez. In the private meeting that followed, the prefect was deferential to Santos Ramirez.

The prefect thanked the Ambassador for mission support for various work generation projects, orphanages, and the restoration of the prefectural offices. Virreira lamented the department's extreme poverty, which causes massive emigration, and expressed his interest in diversifying Potosi's economy beyond mining.

15. (C) Senator Ramirez (a close associate of President Evo Morales widely considered to harbor presidential ambitions of his own) then spoke, congratulating the Ambassador on his excellent "strategy" of choosing to travel to Potosi on his first official trip outside the La Paz department. Ramirez said that, "in the past there have been some problems, and some governments and ambassadors have said things they shouldn't, but now I think we can work together on the fight against poverty." He added, "I am both surprised and happy that you are visiting Potosi. Your visit here is an excellent opportunity. This is the start of a new film."

16. (C) The Ambassador then went to Santos Ramirez' hometown of Caiza D, approximately one hour outside Potosi city, to

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inaugurate a water irrigation system at a USAID-supported orphanage. During the ride to Caiza D, Santos Ramirez continued to banter with the Ambassador about the government's coca reduction policy and joked that not even President Morales had come to his hometown yet.

MEETING WITH MAYOR

17. (C) In a subsequent meeting, Potosi Mayor Rene Joaquino (who is of indigenous descent and humble background), displayed his contempt for Evo Morales, telling the Ambassador that "Evo is nothing more than one of Chavez' ministers. We do not have a Bolivian government; we have a spokesperson for Castro and Chavez." Joaquino opined that people are starting to realize that Evo is not going to solve all their problems. "Evo broke his agreement with the independent miners (not to nationalize the mining sector). That is forty thousand miners who no longer support the MAS."

Joaquino, making no attempt to hide his ambitions, described his plan to register his Social Alliance (AS) party as a national party within the next few months. His goal is to be ready for the national elections he expects to be held in 2008 after the Constituent Assembly. He said he has been "making deals and alliances" with the miners, the Central Labor Union (COB), and other departments to prepare to become a real opposition. "This government is moving the country backward. The state-managed economic system did not work in the past. We will offer an alternative."

COMMENT

18. (C) The Ambassador's choice of Potosi as his first official visit outside the La Paz department served to break the ice with MAS Senate President Santos Ramirez. Ramirez clearly saw significant political gain to be obtained from the Ambassador's visit. In addition to trying to portray himself as a pragmatic moderate capable of bringing American assistance to his hometown, Ramirez offered himself up as an alternative interlocutor for the U.S. Ramirez could be positioning himself to try to take away GOB political leadership with the USG from his political rival Vice President Garcia Linera. At the same time, the Ambassador

was well received by the prefect, the Independent Miners' Association , the Potosi city council, and the mayor, all of whom have come under pressure from MAS party elements to limit their contact with the USG. Whether the good will created during this visit will translate into a better working relationship with the national government remains to be seen. End Comment.

GOLDBERG